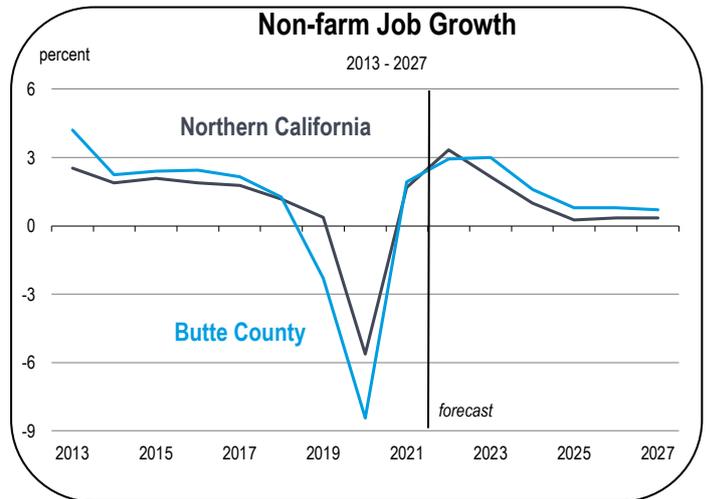


# Butte County Economic Forecast

## Forecast Summary

- On an annual average basis, 1,400 jobs were restored in Butte County during 2021. Another 2,200 jobs are being created in 2022. Approximately 50 percent of jobs lost during the coronavirus recession will be fully restored in 2022.
- A full labor market recovery is expected in 2024.
- Over the 2022-2027 forecast period, total employment in Butte County is expected to increase by 7,000 jobs.
- Government, leisure services, and healthcare will be responsible for virtually all net job creation during the forecast period.
- The unemployment rate averaged 6.9 percent in 2021. It is forecast to average 4.5 percent in 2022 and 4.0 percent in 2023.
- It should be remembered that the November 2018 Camp Fire destroyed 11,000 homes most in the town of Paradise, and nearly 19,000 total structures county-wide. This was the worst fire for the destruction of homes and buildings in California history. Estimates put the total damage at \$17 billion.
- As a result, the population was meaningfully impacted, along with school enrollments, and employment within the county.
- The town of Paradise has become inundated with building permit applications since 2020. There has not been much of a slowdown as the application surge continues through 2022. The forecast calls for an average of 1,900 new home permits per year over the next 5 years.



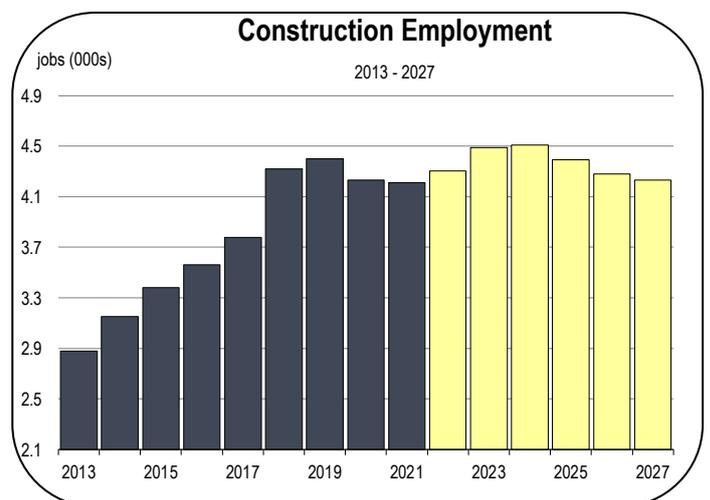
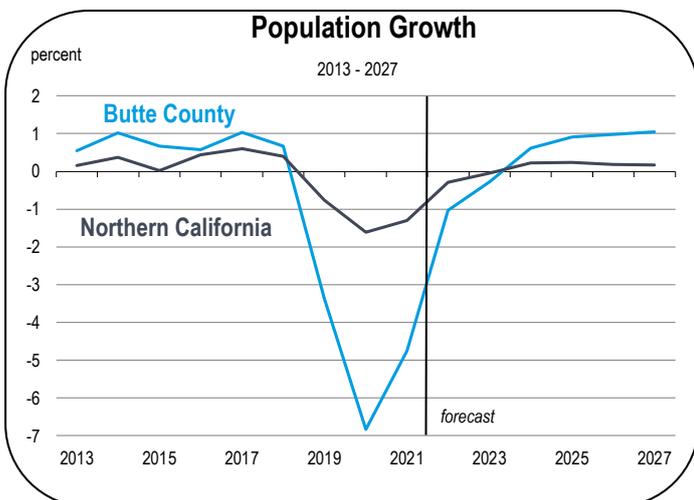
- The median home price increased by 8 percent in 2021, and will rise approximately 4 percent in 2022. A substantial slowdown will occur in 2023 as demand falls off. The median sell price is still expected to rise marginally in 2023 and 2024.

## Job Growth

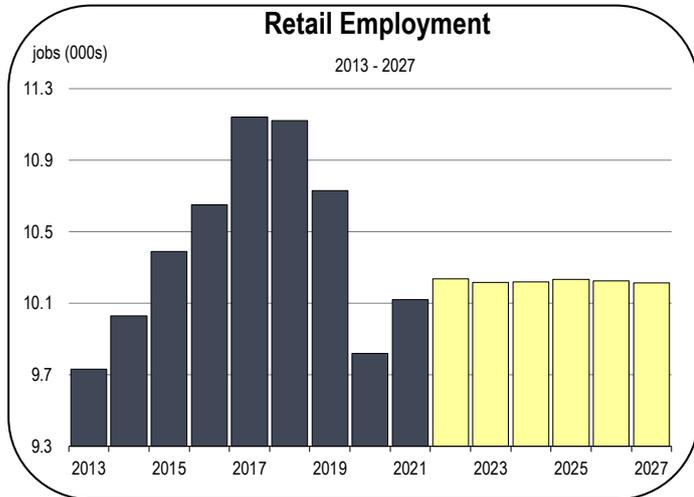
- Total employment in Butte County will expand by 2.9 percent in 2022 on an annual average basis.
- Between 2022 and 2026, job growth will average 1.8 percent.

## Construction Employment

- The construction sector is expected to add more than a thousand jobs during 2022 and 2023 in response to the major rebuilding effort.



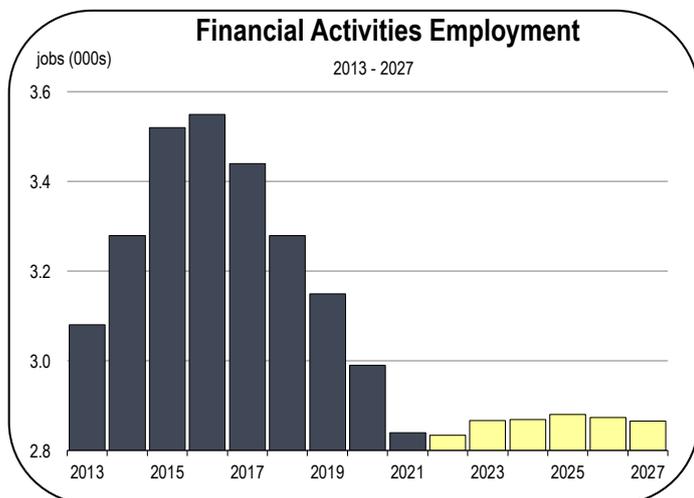
# Butte County Economic Forecast



- As of September 2022, less than 2,000 homes have been rebuilt from the devastating Camp Fire. There will unlikely be a complete restoration of destroyed buildings over the five-year forecast period ending in 2027.
- Employment of construction workers is forecast to peak in 2024 and then gradually decline as the largest share of fire rebuilds are completed.

## Retail Trade Employment

- The retail industry rebounded in 2021 but will not recover all jobs that have been lost over the last few years.
- The Butte County retail industry was already under pressure before the onset of the Coronavirus Recession, as competition from online stores has led to lower levels of employment at local brick-and-mortar shops.



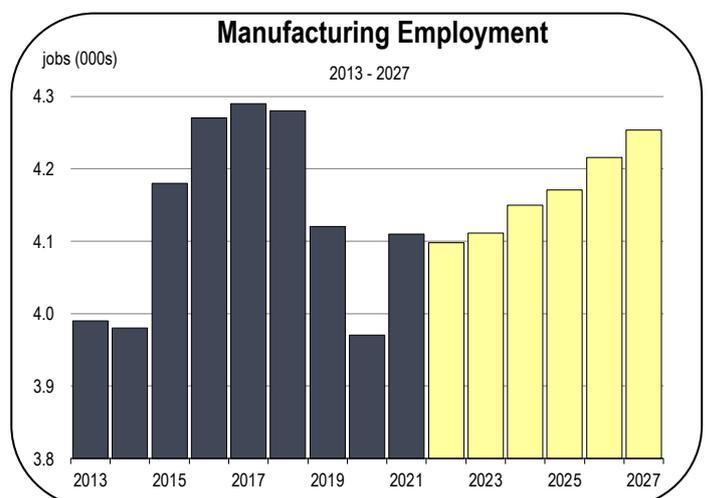
- The transition to online shopping will lead to further consolidation of local retail jobs over the long-term.

## Financial Activities Employment

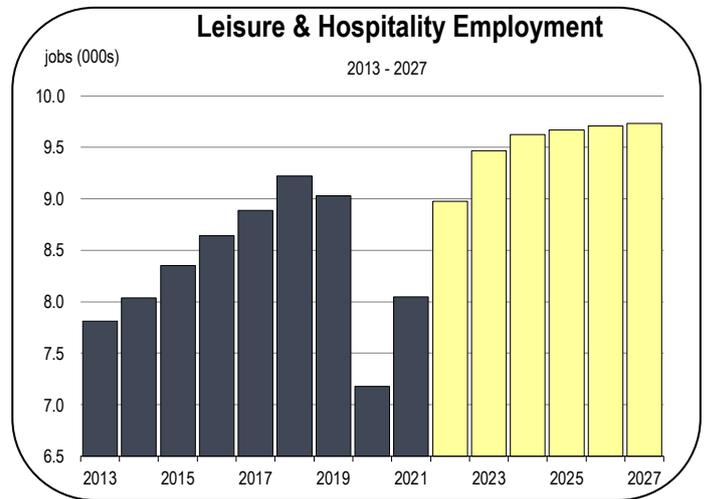
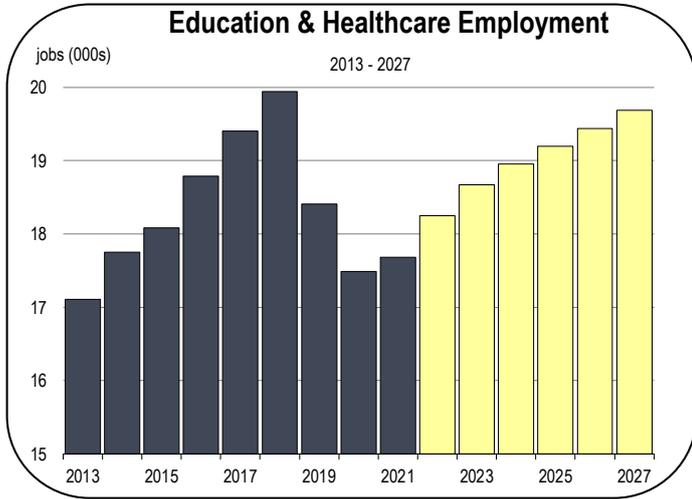
- Chico is a hub for the insurance industry. The largest firms are United Healthcare, which offers health insurance, and Butte Community Insurance Agency, which offers a range of personal and professional insurance products. Each firm employs more than 250 workers.
- The financial activities sector has been losing jobs for several years. Further consolidation is expected during the second half of the forecast period.
- Employment in real estate services will expand between 2022 and 2027, but declines at banks and insurance companies will lead to stagnation in the broad financial activities industry.

## Manufacturing Employment

- The Butte County manufacturing sector is home to a range of food and beverage producers.
- The most prominent manufacturing firm is the Sierra Nevada Brewing Company, which was founded in 1979 and makes a range of beer products.
- The Chico located brewery accounts for approximately 25 percent of all manufacturing jobs in Butte County.



# Butte County Economic Forecast



## Private Education and Healthcare Employment

- In 2019, a meaningful number of healthcare jobs were displaced by the Camp Fire, which swept through the City of Paradise and destroyed medical facilities.
- Healthcare employment is expected to expand in 2022 and 2023 and continue to grow throughout the forecast period.
- Butte County has a high share of residents who are older than 75, and the elderly population is only expected to increase, ultimately necessitating a larger healthcare workforce in the county.

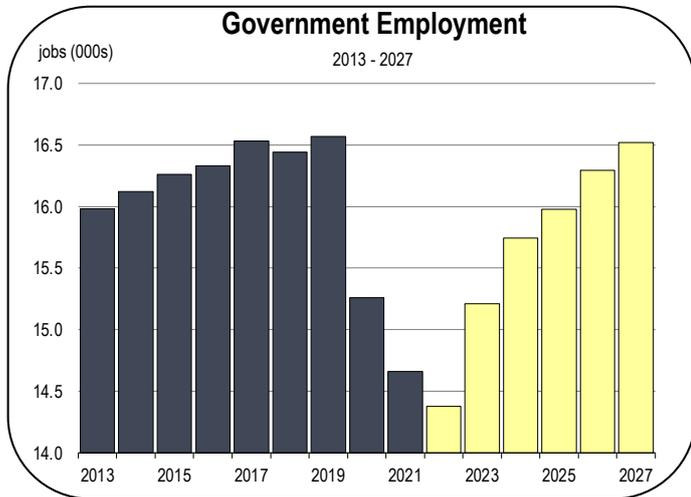
## Leisure and Hospitality Employment

- Hotels, restaurants, bars, catering firms, gyms, and other leisure/hospitality organizations were impacted by restricted business conditions more than any other type of company in 2020.
- Almost 900 jobs were gained in 2021: an increase of 12 percent.
- An additional 900 jobs are expected to be added in 2022.



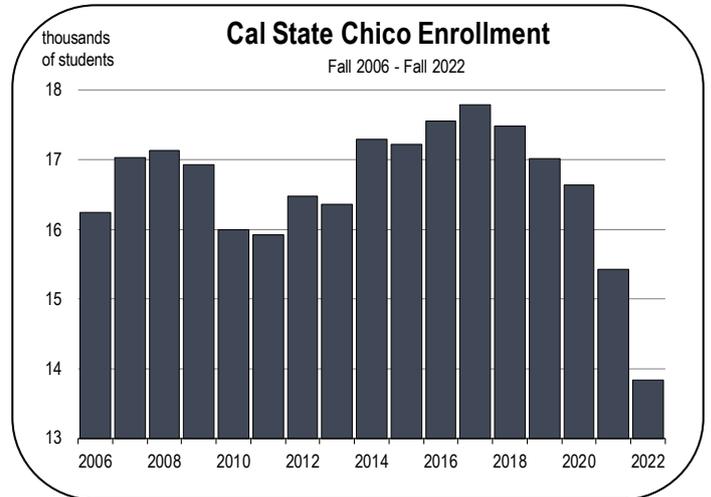
Elone Medical Center in Chico

# Butte County Economic Forecast



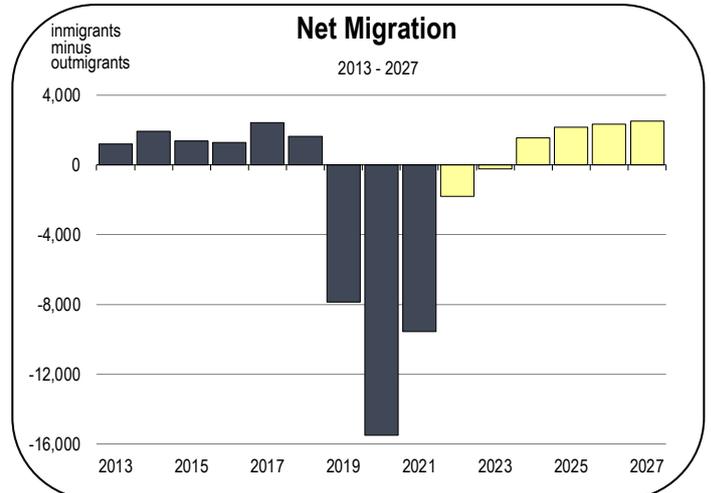
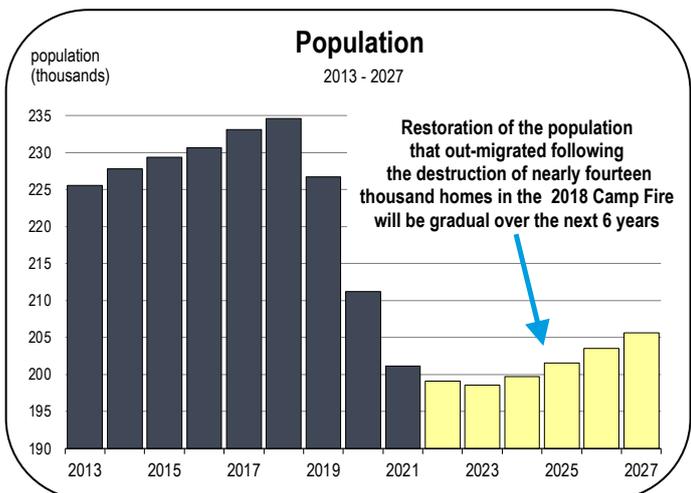
## Government Employment

- The largest public sector employer in Butte County is the California State University at Chico. There has been a general decline in enrollment over the last 3 years with Fall 2022 enrollment now just below 14,000 students. The school employs 2,000 staff and faculty.
- Government agencies shed almost 600 jobs in 2021 and a further consolidation of 300 jobs is occurring in 2022. Most of these positions were at local schools, but several hundred jobs were reduced at Chico State.
- Employment is forecast to rebound in 2023 and over the remainder of the forecast period, due principally to the rebuilding effort from the Camp Fire and the restoration of the population and student enrollment at the University.

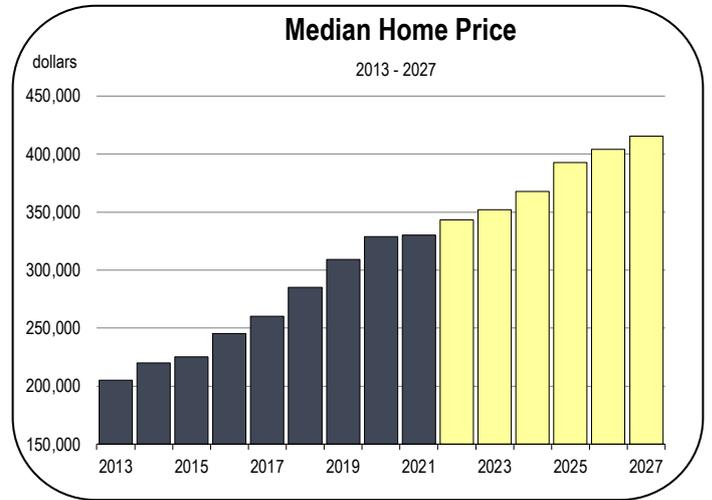
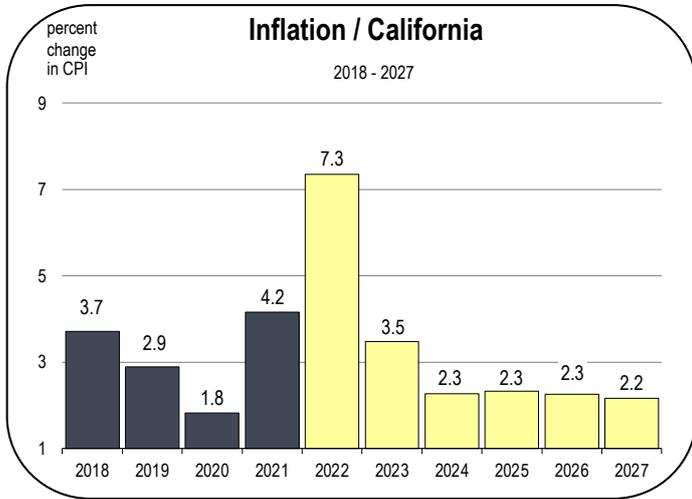


## Population Growth

- The Butte County population declined by 11,800 residents in 2019 as people were displaced by the Camp Fire.
- The population declined by another 8,100 residents in 2020.
- The population is expected to rebound over the 2023 to 2027 period as (1) residents return to homes that are re-built, (2) some construction workers relocate to Butte County as part of the rebuilding effort, and (3) school employees return to their jobs or are newly hired by Butte County.
- The population will expand at an annual average rate of 0.2 percent per year from 2022 to 2027.
- By 2027, the Butte County population will surpass 205,000 residents, but the overall population will still be smaller than it was before the Camp Fire.



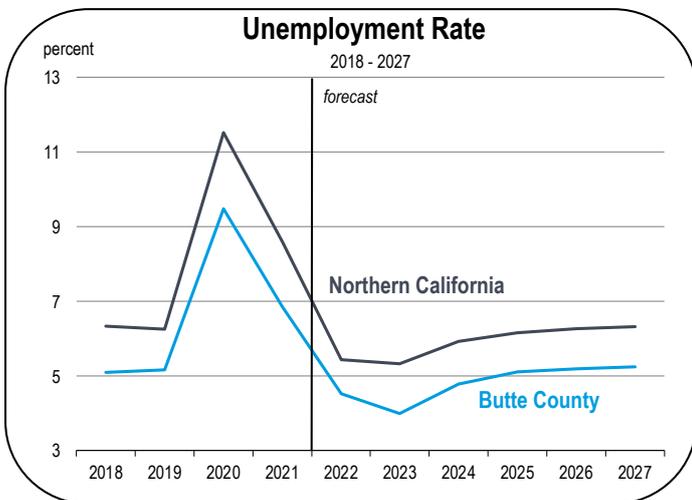
# Butte County Economic Forecast



## Unemployment and Inflation Rates

- The unemployment rate in Butte County averaged 6.9 percent in 2021.
- An unemployment rate below 6.0 percent signifies a fully employed workforce in Butte County.
- The unemployment rate is expected to average 4.5 percent in 2022 and 4.0 percent in 2023.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged.
- Inflation soared in 2021 and is expected to remain elevated for several years.

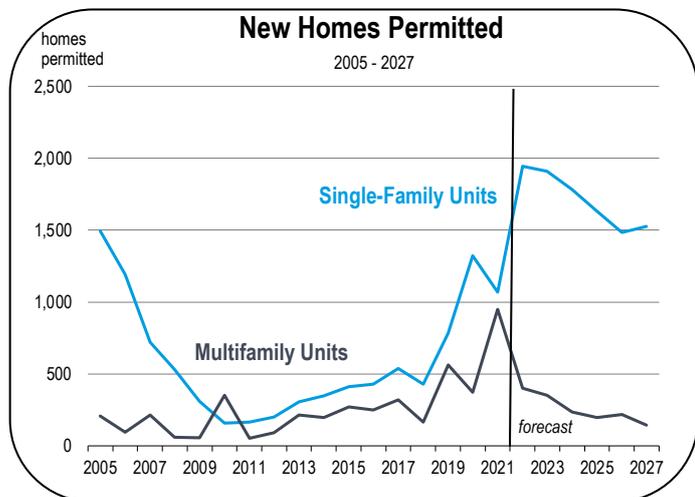
- During 2022 and into 2023, there will be a number of factors that will contribute to higher inflation. The most prominent will be:
  - Record spending by consumers and the federal government during 2021 and 2022
  - Sharp increases in the cost of housing and energy
  - Labor market recruitment challenges that force companies to raise wages
- These factors together with supply chain constraints have pushed inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households which will limit consumer spending during 2023.
- Inflation is forecast to continue decelerating in 2023 as supply chains and the labor force are restored, eventually falling to 3 percent again by 2024.



## Home Prices and New Housing Production

- In 2021, the median home price in Butte County was \$330,000 for all housing transactions. For single family detached housing, the median price was \$434,448.
- The median price continues to rise in 2022 due to limited inventory. Through September 2022, the median price for detached homes was \$453,392.
- During 2022, home selling prices are forecast to have expanded sharply relative to 2021, in almost all California markets.

# Butte County Economic Forecast

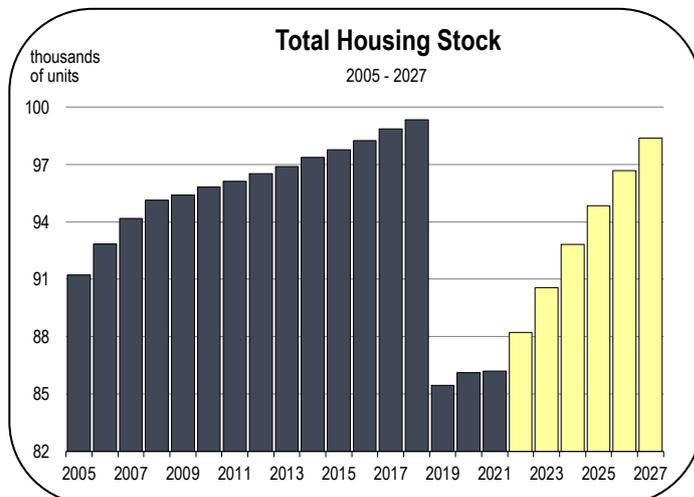


- Price appreciation is slowing sharply in the second half of 2022, a trend that will continue through 2023.
- From 2017 to 2022, an average of 975 new homes were started per year in Butte County. Approximately two thirds were single-family homes.
- It must be remembered that the 2018 Camp Fire destroyed 18,661 structures, including 13,696 homes. The re-building process, which began in 2019, has required hundreds of new construction workers and has restored approximately 1,500 homes to date. Housing production will accelerate in 2022 and going forward, averaging 1,900 units per year through 2027.
- Principally as part of the home rebuilding effort, housing production is expected to average 1,900 homes per year from 2022 to 2027, consisting primarily of single-family homes which were the vast majority of homes that were destroyed.

## New Development Projects

### Tuscan Ridge

- The Tuscan Ridge Project is a proposed mixed-use project consisting of 163 acres located in the unincorporated Butte County. The project site is situated between Chico and Paradise.
- Plans for Tuscan Ridge call for the development of 165 single-family homes ranging in size from 4,000 to 40,000 square feet. Commercial development is also proposed to take up 31 acres of the project site, totaling around 53,000 square feet in storage space.



- Tuscan Ridge was issued a Notice of Preparation of a draft EIR report in late February 2022.

### Chico

- The City of Chico had 1,583 single-family units and 1,396 multifamily units in its pipeline under some form of development in August 2022. Furthermore, Chico also had 412,000 square feet of commercial and warehouse space in its pipeline, most of which under construction.
- Notable Residential projects include:
  - Stonegate (469 units, Approved)
  - Oak Valley (317 units, Approved)
  - Meriam Park North (239 units, Approved)
  - Westside Place (169 units, Approved)
  - Hicks Lane Subdivision (157 units, Approved)
  - Amber Lynn Estates (109 units, Approved)
- Notable Non-residential and multifamily projects include:
  - Enloe Medical Care (121,500 sf, plan check)
  - Oxford Suites Expansion (82,000 sf, under construction)
  - Sierra Nevada Warehouse (80,000 sf, under construction)
  - Stonegate Apts (233 units, approved)
  - Deer Creek Apts (204 units, under construction)
  - Sen Coness Apts (162 units, under construction)

# Butte County Economic Forecast

## Economic Indicators

## 2015-2021 History, 2022-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	229,359	89.6	1,362	679	232	\$9.2	\$2.2	\$3.1	\$1.0	\$47,605	7.2	\$905	1.4
2016	230,681	90.2	1,270	676	237	\$9.6	\$2.3	\$3.2	\$1.3	\$48,412	6.6	\$812	2.3
2017	233,080	90.8	2,414	857	234	\$9.9	\$2.4	\$3.4	\$1.4	\$47,935	5.8	\$788	3.0
2018	234,627	91.4	1,634	591	234	\$10.3	\$2.5	\$3.5	\$1.2	\$47,761	5.1	\$689	3.7
2019	226,714	78.5	-7,866	1,348	228	\$10.5	\$2.6	\$3.8	\$1.5	\$49,081	5.2	\$730	2.9
2020	211,216	79.2	-15,508	1,694	224	\$10.5	\$2.7	\$3.9	\$1.2	\$51,722	9.5	\$651	1.8
2021	201,158	79.4	-9,565	2,017	227	\$11.0	\$3.1	\$4.5	\$1.5	\$54,814	6.9	\$610	4.2
2022	199,085	81.1	-1,797	2,343	225	\$11.4	\$3.6	\$5.1	\$1.4	\$53,170	4.5	\$625	7.3
2023	198,538	83.3	-239	2,262	224	\$11.8	\$3.8	\$5.4	\$1.4	\$53,719	4.0	\$636	3.5
2024	199,747	85.4	1,533	2,020	225	\$12.2	\$3.9	\$5.6	\$1.4	\$53,949	4.8	\$646	2.3
2025	201,558	87.3	2,162	1,828	227	\$12.9	\$3.9	\$5.7	\$1.4	\$54,985	5.1	\$650	2.3
2026	203,526	89.1	2,342	1,704	229	\$13.5	\$3.9	\$5.7	\$1.4	\$55,750	5.2	\$651	2.3
2027	205,661	90.7	2,520	1,670	231	\$14.1	\$4.0	\$5.8	\$1.4	\$56,345	5.2	\$655	2.2
2028	208,448	92.2	3,187	1,608	233	\$14.7	\$4.0	\$5.8	\$1.4	\$56,877	5.3	\$658	2.2
2029	210,681	93.7	2,650	1,619	235	\$15.3	\$4.1	\$5.9	\$1.4	\$57,259	5.3	\$661	2.3
2030	212,982	95.2	2,729	1,508	237	\$15.9	\$4.2	\$6.1	\$1.4	\$57,588	5.3	\$665	2.2
2031	215,079	96.7	2,534	1,307	239	\$16.5	\$4.3	\$6.2	\$1.4	\$57,837	5.3	\$669	2.1
2032	217,038	97.9	2,403	1,103	241	\$17.1	\$4.3	\$6.3	\$1.4	\$58,023	5.3	\$674	2.3
2033	218,585	98.9	1,996	1,009	242	\$17.7	\$4.3	\$6.3	\$1.4	\$58,522	5.3	\$681	1.9
2034	220,230	99.9	2,099	896	244	\$18.3	\$4.4	\$6.4	\$1.4	\$58,896	5.2	\$688	2.1
2035	222,385	100.7	2,608	769	245	\$19.0	\$4.4	\$6.5	\$1.4	\$59,150	5.2	\$690	2.2
2036	224,647	101.4	2,716	656	247	\$19.7	\$4.5	\$6.6	\$1.4	\$59,217	5.2	\$694	2.6
2037	227,148	102.0	2,961	618	249	\$20.4	\$4.6	\$6.7	\$1.4	\$59,271	5.2	\$697	2.7
2038	229,495	102.6	2,803	685	251	\$21.2	\$4.7	\$6.8	\$1.4	\$59,467	5.2	\$701	2.5
2039	231,200	103.3	2,158	749	253	\$22.1	\$4.9	\$7.1	\$1.4	\$59,727	5.2	\$705	2.7
2040	232,813	104.0	2,056	744	254	\$22.9	\$5.1	\$7.3	\$1.4	\$60,034	5.2	\$709	2.6
2041	234,232	104.7	1,843	742	255	\$23.8	\$5.2	\$7.5	\$1.4	\$60,502	5.2	\$713	2.2
2042	235,767	105.4	1,939	729	256	\$24.6	\$5.3	\$7.7	\$1.4	\$60,980	5.2	\$716	2.1
2043	237,254	106.0	1,871	722	258	\$25.5	\$5.4	\$7.8	\$1.4	\$61,487	5.2	\$718	2.0
2044	238,541	106.7	1,661	720	259	\$26.3	\$5.5	\$8.0	\$1.4	\$62,088	5.2	\$720	1.8
2045	239,697	107.4	1,520	716	259	\$27.2	\$5.6	\$8.1	\$1.4	\$62,605	5.2	\$722	1.9
2046	240,848	108.1	1,505	707	260	\$28.0	\$5.7	\$8.3	\$1.4	\$63,017	5.2	\$725	2.0
2047	242,057	108.7	1,550	696	261	\$28.9	\$5.9	\$8.5	\$1.4	\$63,283	5.2	\$727	2.2
2048	243,355	109.4	1,625	684	262	\$29.8	\$6.0	\$8.7	\$1.4	\$63,458	5.2	\$731	2.3
2049	244,710	110.0	1,675	673	263	\$30.8	\$6.1	\$8.9	\$1.4	\$63,802	5.2	\$734	2.0
2050	246,307	110.6	1,907	655	265	\$31.7	\$6.3	\$9.1	\$1.4	\$64,094	5.2	\$736	2.1

## Employment Sectors

## 2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	80.9	3.0	3.4	4.2	1.5	12.2	3.5	5.5	1.1	18.1	8.4	16.3
2016	82.9	3.1	3.6	4.3	1.6	12.6	3.6	5.8	1.0	18.8	8.6	16.3
2017	84.6	3.1	3.8	4.3	1.6	13.1	3.4	5.8	0.9	19.4	8.9	16.5
2018	85.6	3.1	4.3	4.3	1.6	13.2	3.3	5.6	0.9	19.9	9.2	16.4
2019	83.5	2.9	4.4	4.1	1.6	12.9	3.2	5.8	0.8	18.4	9.0	16.6
2020	76.8	2.9	4.2	4.0	1.7	12.0	3.0	5.4	0.6	17.5	7.2	15.3
2021	78.2	3.0	4.2	4.1	1.9	12.6	2.8	5.5	0.6	17.7	8.1	14.7
2022	80.6	3.2	4.3	4.1	1.9	12.8	2.8	5.8	0.6	18.2	9.0	14.4
2023	82.9	3.1	4.5	4.1	2.0	12.8	2.9	6.1	0.6	18.7	9.5	15.2
2024	84.1	3.1	4.5	4.1	2.0	12.8	2.9	6.2	0.6	19.0	9.6	15.7
2025	84.7	3.1	4.4	4.2	2.0	12.8	2.9	6.3	0.6	19.2	9.7	16.0
2026	85.4	3.1	4.3	4.2	2.0	12.8	2.9	6.4	0.6	19.4	9.7	16.3
2027	85.9	3.1	4.2	4.3	2.0	12.8	2.9	6.4	0.6	19.7	9.7	16.5
2028	86.7	3.1	4.3	4.3	2.0	12.8	2.9	6.5	0.6	20.1	9.8	16.7
2029	87.2	3.1	4.4	4.3	2.0	12.8	2.9	6.5	0.6	20.2	9.8	16.7
2030	87.6	3.0	4.3	4.4	2.1	12.8	2.9	6.5	0.6	20.4	9.9	16.8
2031	87.5	3.0	4.1	4.4	2.1	12.8	2.9	6.6	0.6	20.6	9.9	16.7
2032	87.7	3.0	3.9	4.4	2.1	12.8	2.9	6.6	0.6	20.8	10.0	16.7
2033	87.9	3.0	3.8	4.4	2.1	12.8	2.9	6.6	0.6	21.0	10.0	16.7
2034	88.0	3.0	3.7	4.5	2.1	12.8	2.9	6.7	0.6	21.2	10.1	16.7
2035	88.1	3.0	3.6	4.5	2.1	12.8	2.9	6.7	0.6	21.3	10.2	16.7
2036	88.2	3.0	3.5	4.5	2.1	12.8	2.9	6.7	0.6	21.5	10.2	16.6
2037	88.4	3.0	3.4	4.5	2.1	12.7	2.9	6.7	0.6	21.7	10.3	16.6
2038	88.7	3.0	3.4	4.5	2.1	12.7	2.9	6.8	0.6	21.8	10.3	16.6
2039	88.9	3.0	3.5	4.5	2.1	12.7	2.9	6.8	0.6	22.0	10.4	16.5
2040	89.1	3.0	3.5	4.5	2.1	12.7	2.9	6.8	0.6	22.1	10.4	16.5
2041	89.3	3.0	3.5	4.5	2.1	12.7	2.9	6.8	0.6	22.3	10.5	16.4
2042	89.5	3.0	3.5	4.5	2.1	12.7	2.9	6.9	0.6	22.4	10.5	16.4
2043	89.8	3.0	3.4	4.4	2.1	12.7	2.9	6.9	0.6	22.6	10.6	16.5
2044	90.0	3.0	3.4	4.4	2.1	12.7	2.9	6.9	0.6	22.7	10.6	16.5
2045	90.3	3.0	3.4	4.4	2.1	12.7	2.9	6.9	0.6	22.8	10.7	16.6
2046	90.5	3.0	3.4	4.4	2.1	12.7	2.9	6.9	0.6	23.0	10.7	16.6
2047	90.7	3.0	3.4	4.4	2.1	12.7	2.9	7.0	0.6	23.1	10.8	16.6
2048	90.9	3.0	3.3	4.4	2.1	12.7	2.9	7.0	0.6	23.2	10.8	16.7
2049	91.1	3.0	3.2	4.4	2.1	12.7	2.9	7.0	0.6	23.4	10.9	16.7
2050	91.4	3.0	3.2	4.4	2.1	12.7	2.9	7.0	0.6	23.5	10.9	16.9

# Butte County Economic Forecast

## Socioeconomic Indicators

